



*Office of
Deputy Commissioner
of Maritime Affairs*

THE REPUBLIC OF LIBERIA

Bureau Of Maritime Affairs

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MARINE OPERATIONS NOTE: 10/2004

Ref: New Insurance and Reporting Requirements for Non-Tank Vessels Entering Ports in Japan

Beginning on 1 March 2005, the Japanese Government will require ocean-going non-tank vessels of 100 gross tons or greater to have Protection and Indemnity (P&I) insurance, carry a certificate of insurance on board and report the status of insurance, prior to entering ports and designated areas in Japan. Vessels without the required P&I insurance will be denied entry into Japanese ports.

The P&I insurance will be required to cover damage caused by bunker oil pollution and the expenses of removing a shipwreck.

Additional details on the new rules are contained in the attached communication received from the Japanese Ministry of Land, Infrastructure and Transport.

Should you have any questions, please contact Captain David Pascoe at +1-703-251-2477 or email: marops@liscr.com.

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Attachment

The Ministry of Land, Infrastructure and Transport, Japan

Dear Sir/Madam,

Japanese Government will introduce new rules regarding the entry into Japanese port and some designated areas from 1 March 2005 (a part of the rules will enter into force from 1 December 2004). The rules will apply irrespective of the nationality of ship.

The outline of the rules is attached as follows. The detail of the rules will be published in the official gazette of Japan in November.

This letter is intended to inform the introduction of new rules in advance to the entry into force of the rules. Official notification will be circulated through the Secretary General of International Maritime Organisation in due course.

Yours Sincerely,

Nobuhiro TSUYUKI
Director of Office of Maritime Security
and Liability for Accidents
Maritime Bureau,
The Ministry of Land, Infrastructure and Transport
Japan

Attachment

Outline of Compulsory Insurance Requirement for Non –tanker Vessels

Introduction

1 The problem of abandoned shipwreck in coastal waters has become a national concern in Japan of late, after several incidents in which the owner of a wrecked ship abandoned his/her wreck and did not discharge his/her responsibility of compensating for the damage caused by bunker oil pollution or of removing the shipwreck. Local government, with assistance from central government, had to restore the surrounding marine environment and port with own resources. As of 1 April 2004, there were ten abandoned shipwrecks remaining within the Japanese coastal waters and eighteen abandoned shipwrecks had been removed by local governments. This problem, though primarily attributable to shipowners' non-fulfillment of legal obligations, arose partly because of a lack of compulsory insurance to cover such damage and cost of removal.

2 To remedy this problem, Japan amended “the Law on Liability for Oil Pollution Damage of 1975” (“the Law”) on 14 April 2004 and introduced new rules. The rules were published in the official gazette of Japan on 21 April 2004.

3 **From March 1, 2005**, a vessel calling at any Japanese port must fulfill the following requirements for entry.

- **have P&I insurance (Protection and Indemnity insurance) for the vessel**
- **carry a relevant certificate(s) of insurance on board**
- **report the status of insurance to a District Transport Bureau before entering the port**

Vessels that do not have P&I insurance after that date will be denied to enter any Japanese port.

Having P&I insurance for the vessel

4 The new requirement for compulsory insurance applies to all ocean-going non-tanker vessels that are of **100 gross tonnage or greater**. The requirement does not apply to oil tankers. State-owned ships are exempt from the requirement.

5 The insurance must cover the following risks;

- **damage caused by bunker oil pollution, and**
- **expenses of removing the shipwreck**

The amount of insurance coverage must be equal at least to the sum of :

- (a) the limit of liability for claims for loss of life or personal injury as well as material damage
- (b) the limit of liability for claims only for material damage

These limits of liability are stipulated by the Law on Liability Limitation of the Shipowner of 1975. The provisions of this law are consistent with the International Convention on Limitation of Liability for Maritime Claims of 1976, as amended.

Carrying a relevant certificate(s) of insurance on board

6 After receiving a valid application from the shipowner or its agent, **the Minister of Land, Infrastructure and Transport will issue a certificate of insurance**. The certificate is valid for one year and renewable. Application for the certificate will be accepted from December 1, 2004 at District Transport Bureaus.

7 The information required in applying for the certificate are:

- Information to identify the ship
- Information concerning the insurance contract covering the ship.
- Information concerning the insurer of the ship.

Attachment

The information must be provided in Japanese.

Details of the application procedure for applying for a certificate, including fee, will be announced in the official gazette of Japan.

8 In exception to the above, if the shipowner has concluded a contract with an insurer(s) that are recognized by the Minister of Land, Infrastructure and Transport to possess sufficient resources and business trust and designated as such (“Designated Insurer(s)”), the original or certified copy(s) of a certificate of entry issued by such an insurer(s) will be accepted as a substitute for the certificate mentioned in paragraph 6.

Details of such designation will be announced in the official gazette of Japan.

Reporting the status of insurance

9 The captain, shipowner or their agent of a tanker which carries more than 2,000 tons of oil in bulk as cargo or a non-tanker which has gross tonnage greater than 100 shall **report the status of the insurance to the District Transport Bureau by noon of the day before entering a port. A non-tanker greater than 100 gross tonnage shall also report the above when entering a “designated sea area”**, which will be announced in the official gazette of Japan. This requirement does not apply to the ship with non-commercial purpose.

10 The information required in reporting includes:

- Information to identify the ship
- Information concerning the insurance contract covering the ship.

Details of the reporting item will be announced in the official gazette of Japan.

11 Officials of the Government of Japan, including the Port State Control Officers, may board the vessel to inspect relevant certificate(s). If the captain fails to produce a valid certificate(s), the captain (in some cases, other conductor may be included) would be penalized **and the vessel may be detained until legal requirements are satisfied.**

12 Under the law, a captain will be guilty of a punishable offence when;

- the ship enters a port in Japan without an appropriate insurance coverage
- the ship enters a port in Japan without a valid certificate
- the captain fails to report, or reports false information, to the authority
- other cases provided for by the law.

Amendment of liability rule for bunker oil pollution

13 **Liability rules about bunker oil pollution damage have been amended** to introduce strict liability and joint liability. Hence shipowner and the charterer shall be liable jointly and severally for the damage caused by bunker oil pollution irrespective of the existence of their fault or willful misconduct.

Queries

14 Queries regarding these new rules should be directed to the Office of Maritime Security and Compensation, Maritime Bureau, Ministry of Land, Infrastructure and Transport, on facsimile +81-3-5253-1642 or email maritime@mlit.go.jp.